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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2430

02/27/2014 Authored by Erhardt

The bill was read for the first time and referred to the Committee on Education Policy

1.1 A bill for an act
1.2 relating to education; amending the process for detachment and annexation of
1.3 school district lands; amending Minnesota Statutes 2012, section 123A.45.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2012, section 123A.45, is amended to read:

1.6 **123A.45 DETACHMENT AND ANNEXATION OF LAND.**

1.7 Subdivision 1. **Detachment and annexation.** ~~The~~ An owner of land ~~which adjoins~~
1.8 ~~any independent district, and whose land is not in a special district~~ may propose an area
1.9 for detachment and annexation and petition the county board of the county in which
1.10 the greater part of the area proposed for detachment and annexation lies to detach ~~all or~~
1.11 ~~any part of the land~~ area together with the intervening lands as defined in paragraph (b),
1.12 from the district it now is in, and to attach it, together with such intervening land, to the
1.13 adjoining district. For purpose of this section, land is adjoining a district if:

1.14 (a) The boundary of the area proposed for detachment and annexation is the same as
1.15 the district boundary to which attachment is sought at any point, including corners, or

1.16 (b) The area proposed for detachment and annexation is separated at any point
1.17 from the district to which annexation is sought by not more than one-half mile and the
1.18 intervening land is vacant and unoccupied or is owned by one or more of the following:
1.19 The United States, or the state of Minnesota or any of its political subdivisions, or an
1.20 owner who is unknown or cannot be found or

1.21 (c) The area proposed by a land owner for detachment and annexation is adjoining,
1.22 as defined in paragraphs (a) and (b), any land proposed for detachment from and
1.23 annexation to the same district in another pending petition.

1.24 Subd. 2. **Petition.** The petition must contain:

2.1 (a) A correct description of the area proposed for detachment and annexation,
 2.2 including supporting data regarding location and title to land to establish that the ~~land~~
 2.3 area is adjoining a district, that the petitioner owns land within the area, and that none
 2.4 of the area is in a special district.

2.5 (b) The reasons for the proposed change with facts showing that the granting of the
 2.6 petition will not reduce the size of any district to less than four sections, unless the district
 2.7 is not operating a school within the district.

2.8 (c) ~~Consent to the petition, if, at the time of the filing of the petition, any part of~~
 2.9 ~~the area proposed for detachment is part of a district which maintains and operates a~~
 2.10 ~~secondary school within the district. Before the hearing, the consent of the board of the~~
 2.11 ~~district in which the area proposed for detachment lies must be endorsed on the petition.~~
 2.12 The signatures of at least 75 percent of landowners in the area proposed for detachment
 2.13 and annexation.

2.14 (d) An identification of the district to which annexation is sought.

2.15 (e) Other information the petitioners may desire to affix.

2.16 (f) An acknowledgment by the petitioner.

2.17 (g) A description of whether bonded indebtedness will be allocated according to
 2.18 subdivision 6, ~~paragraph (b) or (c).~~

2.19 Subd. 3. **Filing petition and negotiation.** The petition must be filed with the
 2.20 auditor who shall present it to the county board at its next meeting. ~~At the meeting, the~~
 2.21 ~~county board must fix a time and place for hearing the petition. The hearing shall be not~~
 2.22 ~~more than 60 nor less than ten days from the date of the meeting. The auditor shall serve~~
 2.23 ~~notice of the hearing on each district directly affected by the petition, by mail addressed to~~
 2.24 ~~the clerk. If any area affected by the petition is in another county, the auditor shall mail a~~
 2.25 ~~notice of hearing to the auditor of such county and shall also give one week's published~~
 2.26 ~~notice of the hearing in the county in which the hearing is to be held, and ten days' posted~~
 2.27 ~~notice in each school district affected. Such posted and published notice may combine~~
 2.28 ~~pending petitions. At the hearing on the petition, the county board must receive and hear~~
 2.29 ~~any evidence for or against the petition. The hearing may be adjourned from time to time.~~
 2.30 Upon presentation to the county board, the county board must provide notice to the school
 2.31 boards of the affected districts that they must enter into negotiations under subdivision 3a.

2.32 Subd. 3a. **Negotiation.** Upon notice from the county board, the affected districts
 2.33 must enter into negotiations.

2.34 (a) The affected districts must negotiate on the entire proposed transfer of territory.

2.35 (b) The districts have 90 calendar days in which to agree to the proposed transfer of
 2.36 territory.

3.1 (c) If the affected school districts reach a negotiated agreement about the proposed
 3.2 transfer of territory initiated by petition, the districts must file the agreement with the
 3.3 county board. The county board must approve the agreement at its next regular meeting.

3.4 (d) If the affected school districts cannot come to an agreement about the proposed
 3.5 transfer of territory initiated by petition, the district in which the citizens who filed the
 3.6 petition reside must file with the county board a written request for a hearing by the county
 3.7 board unless a majority of the citizen petitioners request otherwise.

3.8 Subd. 3b. **Hearing.** If required, due to the inability of the affected districts to come
 3.9 to a negotiated agreement, the county board will schedule a hearing on the petition within
 3.10 60 days. The county board shall consider the following factors at the hearing:

3.11 (1) student educational opportunities;

3.12 (2) the safety and welfare of the students getting to and from school and in and
 3.13 at school;

3.14 (3) the history and relationship of the property affected to the students and
 3.15 communities affected, including municipal boundaries, logical district boundaries, and
 3.16 current and future community and district planning;

3.17 (4) whether geographic accessibility warrants a favorable consideration of the
 3.18 requested change in boundaries, including remoteness or isolation of places of residence
 3.19 and time required to travel to and from school; and

3.20 (5) all funding sources of the affected districts and any potential equitable adjustment
 3.21 between the districts as provided in subdivision 3c.

3.22 Subd. 3c. **Equitable adjustment.** In determining an equitable adjustment of assets
 3.23 and liabilities, the negotiating school districts and the county board shall consider the
 3.24 following factors:

3.25 (1) the number of school age children residing in each school district and in each part
 3.26 of a district involved or affected by the proposed change in school district organization;

3.27 (2) the assessed valuation of the property located in each school district and in each
 3.28 part of a district involved or affected by the proposed change in school district organization;

3.29 (3) the purpose for which the bonded indebtedness of any school district involved or
 3.30 affected by the proposed change in school district organization was incurred;

3.31 (4) the history and relationship of the property affected to the students and
 3.32 communities affected by the proposed change in school district organization;

3.33 (5) additional burdens to the districts affected by the proposed change in school
 3.34 district organization as a result of the proposed organization;

3.35 (6) the value, location, and disposition of all improvements located in the school
 3.36 districts involved or affected by the proposed change in school district organization;

4.1 (7) the consideration of all other sources of funding; and
 4.2 (8) any other factors that in the judgment of the school districts or county board are
 4.3 important or essential to the making of an equitable adjustment of assets and liabilities.

4.4 Subd. 4. **Order.** Within six months of the ~~filing of the petition hearing~~, the county
 4.5 board must issue its order either granting or denying the petition. If any of the land area
 4.6 described in the petition is included in a plat for consolidation or combination which has
 4.7 been approved by the commissioner, then no order may be issued while consolidation or
 4.8 combination proceedings are pending. No order shall be issued which results in attaching
 4.9 to a district any territory not adjoining that district, as defined in subdivision 1, paragraph
 4.10 (a). No order shall be issued which reduces the size of any district to less than four
 4.11 sections unless the district is not operating a school within the district. The order may
 4.12 have a deferred effective date not later than July 1 immediately following its issuance.
 4.13 If the petition is granted, the auditor shall transmit a certified copy to the commissioner.
 4.14 ~~Failure to issue an order within six months of the filing of the petition or termination of~~
 4.15 ~~proceedings upon an approved consolidation plat, whichever is later, is a denial of the~~
 4.16 ~~petition.~~ The order granting or denying the petition must be supported by written findings.

4.17 Subd. 5. **Modification of records.** Upon receipt of the order, the commissioner
 4.18 shall modify the records and any plats and petitions and proceedings involving districts
 4.19 affected by ~~such~~ the order presently before the commissioner for action or record, to
 4.20 conform to the order.

4.21 Subd. 6. **Taxable property.** ~~(a) Upon the effective date of the order, the detachment~~
 4.22 ~~and annexation is effected. The bonded indebtedness must be assigned to the detached~~
 4.23 ~~and annexed land under either paragraph (b) or (c). Any equitable adjustment of assets~~
 4.24 ~~and liabilities, including bonded indebtedness, must be assigned to the detached and~~
 4.25 ~~annexed land.~~

4.26 ~~(b) Unless specified separately under paragraph (c), all taxable property in the area~~
 4.27 ~~so detached and annexed remains taxable for payment of any school purpose obligations~~
 4.28 ~~already authorized by or outstanding on the effective date of the order against the district~~
 4.29 ~~from which detached. The order does not relieve such property from the obligation of~~
 4.30 ~~any bonded debt already incurred to which it was subject prior to the order. All taxable~~
 4.31 ~~property in the area so detached and annexed is taxable for payment of any district~~
 4.32 ~~obligations authorized on or subsequent to the effective date of the order by the district to~~
 4.33 ~~which annexation is made.~~

4.34 ~~(c) Alternatively, if the school board of the district in which the area is proposed~~
 4.35 ~~for detachment and the school board of the district in which the area is proposed for~~
 4.36 ~~annexation agree, all taxable property in the area detached and annexed shall be taxable~~

5.1 ~~by the school district to which the property is annexed. Detached and annexed property~~
5.2 ~~is relieved from the obligation of any bonded debt already incurred by the district in~~
5.3 ~~which the area is detached and is obligated for any bonded debt already incurred by the~~
5.4 ~~district to which the area is annexed.~~

5.5 Subd. 7. **Appeal.** A petitioner or school district may appeal a decision by the county
5.6 board to the district court based on the claim that the county board failed to follow the
5.7 applicable statutory and regulatory procedures or acted in an arbitrary and capricious
5.8 manner. An appeal shall be based on the record and the appeal must be filed within 30
5.9 days of the final decision of the county board.